

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF )	
STRINGTOWN WATER DISTRICT )	CASE NO. 94-088

O R D E R

On February 28, 1994, Stringtown Water District ("Stringtown") filed its application with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. Stringtown purchases water from the city of Lawrenceburg ("Lawrenceburg").

2. Pursuant to notice, the Kentucky River Authority imposed a withdrawal fee of \$0.044 effective January 1, 1994. Lawrenceburg increased its rate to Stringtown effective the same date.

3. Lawrenceburg increased its rates for water sold from \$1.17 per 1,000 gallons to \$1.24 per 1,000 gallons. Stringtown proposes to increase the water rates to its customers effective March 1, 1994.

4. On February 25, 1994, the Kentucky River Authority changed the effective date for its withdrawal fee to April 1, 1994. Therefore, the effective date of an increase of rates by Stringtown should be April 1, 1994.

5. During the 12 months ending December 31, 1993, Stringtown purchased 13,624,000 gallons of water and sold 12,621,600 gallons. The increase in the cost of purchased water is \$954, resulting in a purchased water adjustment of \$0.08 per 1,000 gallons of water, as shown in Appendix B. Based on an average monthly usage of 5,000 gallons, the average bill of Stringtown's customers would increase \$0.40 from \$14.15 to \$14.55 or 2.8 percent.

6. The rates proposed by Stringtown are incorrect and should be denied.

7. The purchased water adjustment of \$0.08 per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Stringtown are hereby denied.

2. The purchased water adjustment of \$0.08 per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after April 1, 1994.

3. Within 30 days of the date of this Order, Stringtown shall file revised tariff sheets setting out the rates approved herein.

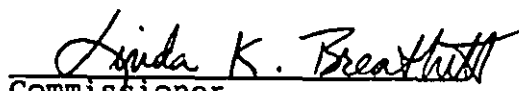
4. Within 20 days of the effective date of the increase by the Kentucky River Authority, Stringtown shall file a copy of the notice to its customers and verification that such notice has been given.

Done at Frankfort, Kentucky, this 21st day of March, 1994.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director

## APPENDIX A

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 94-088 DATED MARCH 21, 1994

The following rates and charges are prescribed for the customers in the area served by Stringtown Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

#### MONTHLY RATES

<u>Usage Blocks</u>	<u>Rates</u>
First 2,000 gallons	\$ 8.31 (Minimum Bill)
Next 3,000 gallons	2.08 per 1,000 gallons
Next 5,000 gallons	1.93 per 1,000 gallons
Cver 10,000 gallons	1.88 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 94-088 DATED MARCH 21, 1994

PURCHASED WATER ADJUSTMENT CALCULATIONS

Water Purchased:	13,624,000 gallons
Water Sold:	12,621,600 gallons

Cost at Changed Rate:

$13,624,000 \times \$1.24$  average per 1,000 gallons = \$16,893.76

LESS

Cost at Base Rate:

$13,624,000 \times \$1.17$  average per 1,000 gallons = \$15,940.08

Increase in Cost:	\$953.68
-------------------	----------

$\$953.68 \div 12,621.60$ gallons sold =	\$0.076 or \$0.08/1,000 gallons
--	------------------------------------